

SEPTEMBER 18, 2019

Directive 2019-21

TO: ALL PARTICIPATING LENDERS

SUBJECT: Clarifications to Directive 2019-20 re. SmartBuy 2.0

The purpose of this Directive is to add a clarification with regard to the US Bank's overlays:

For loans with FICO above 720, there are no USB overlays (**no reserves**). However for loans with FICO between 680 and 720, beside the FNMA guidelines, the lenders have to observe the USB overlays which at this time consist of **2 month reserves**.

USB, the PMIs and FNMA may change their guidelines for manual underwriting from time to time. You can find the latest version of the FNMA Eligibility Matrix on their Single Family Mortgage Products page: <https://www.fanniemae.com/singlefamily/mortgage-products> and USB's guidelines at www.usbank.com/correspondent.

The PMIs will underwrite all files before providing the mortgage insurance certificate.

As always, we appreciate your continued participation in our programs.

If you have any questions concerning this Directive or suggestions for improvements, please email singlefamilyhousing.dhcd@maryland.gov.

Sincerely,

Karl Metzgar

Karl Metzgar
Assistant Director / Operations Manager
Single Family Housing